



DUEY STROEBEL

STATE SENATOR • 20TH DISTRICT

Public Testimony on Assembly Bill 314

I want to thank you, Representative Murphy, for holding a public hearing on Assembly Bill 314.

As you may know, Wisconsin has one strictly merit based scholarship program called the Academic Excellence Higher Education Scholarship Program. Under current law, this program provides qualifying recipients \$2,250 in tuition and fees for each academic year that the recipient is enrolled full time in a Wisconsin private or public college or university. These scholarships are awarded to in-state students who graduate at or near the top of their class (depending on the size of the school). The scholarships are offered to the students with the highest GPA and, if not accepted, pass down to the next eligible student until the scholarships allocated to that high school are exhausted.

According to HEAB, the agency that administers the program, the stated goal of the scholarship is to “keep the best and brightest in the State of Wisconsin.” By all measures, the scholarship is simply not achieving its intended purpose. For example, according to HEAB’s 2013 survey of scholarship recipients, less than half of the winners stated that the \$2,250 award actually influenced his/her decision to attend a Wisconsin school. Moreover, for the 2013-14 school year, 230 scholarships were declined and instead given to alternates. In other words, the scholarship is simply not persuading the highest performing kids to stay. As further evidence of this, the state has failed to retain more than ninety percent of high school National Merit Scholar semi-finalists in recent years.

Each year the National Merit Scholarship Corporation names nearly 300 Wisconsin students as scholars. The NMSC finds scholarships for Wisconsin students sponsored by both institutions and companies. However, each year barely thirty National Merit Scholars enroll in Wisconsin.

AES will be competing against other merit scholarships across the country. By adding more value, all Wisconsin institutions will recruit AES students with a 50% tuition scholarship.

Each year, about 10-15% of the scholarships go unused. Since 2011, over **450 scholarships have unused**. This problem is a result of Wisconsin students leaving the state for academic opportunities and the length of time it takes for an alternate to receive a scholarship.

This inability to keep the state’s best and brightest also extends beyond college. Between 2008 and 2012, on average the state lost roughly 14,000 college graduates per year, half of whom were between the ages of 21 and 24.

In short, this “brain drain” stunts entrepreneurial efforts, shrinks the tax base, and ultimately hinders the state’s overall ability to innovate and grow economically. The last statistic is even more troubling given that there are thousands of jobs currently unfilled in the state because candidates lack the necessary education and/or skill set.

With these issues in mind, AB 314 seeks to entice the best and brightest high school students to remain here for college and ultimately, work here and lay down roots after graduation. Many of these students will be the next entrepreneurs, job creators, benefactors, and leaders who will shape the future of our great state.

To accomplish this, ASA 1 to AB 314 would reform the Academic Excellence Higher Education Scholarship Program:

1. 50% of the student’s tuition will be awarded each year as a traditional scholarship if the student attends a state school, or 50% of UW-Madison’s tuition if the student attends a private school.
2. The scholarship requires students to have a 3.50 GPA and a 28 ACT score. No scholarships are eliminated under the substitute amendment. Actually, more scholarships can be given away.
3. If a high school has no students accepting the scholarship, HEAB will allocate the scholarship to another student from a high school in the same size category. HEAB will allocate scholarships starting with the highest ACT scores. Ties are broken with a lottery.

According to DPI data, roughly thirty schools every year have no student scoring over a 28 on the ACT. You might expect all of these schools to be small; however, many of the schools had pupil populations over 500. Of the thirty schools last year, eighteen had under 500 pupils, seven had more than 500 pupils, and five had more than 1000 pupils.

I am proud of this bill and the work that was done with stakeholders. After meeting with UW System President Ray Cross and Chancellor Blank, I am grateful for their support of the bill. I am also grateful for the support of senators on both sides of the aisle. It is important to note the substitute amendment *increases* this program’s impact by keeping the scholarship allocation the same and providing a substantial award.

Not only would these changes encourage our best high school students to stay in Wisconsin, but it would also provide a financial incentive for these graduates to share and develop their talents in-state, benefiting everyone.



School Administrators Alliance

Representing the Interests of Wisconsin School Children

TO: Assembly Committee on Colleges and Universities
FROM: John Forester, Director of Government Relations
DATE: January 28, 2016
RE: Assembly Bill 314 – Academic Excellence Scholarships

The School Administrators Alliance (SAA) opposes Assembly Bill 314, relating to the Academic Excellence Higher Education Scholarship Program.

If adopted, Assembly Substitute Amendment 1 (ASA 1) to AB 314 would significantly increase the amount of the academic excellence higher education scholarship. The substitute amendment also requires qualifying candidates to attain a minimum 3.5 grade point average (GPA) and a score of 28 or higher on the ACT test.

I would like to commend the authors of the bill for offering ASA 1 in response to the concerns voiced by opponents of the bill at the public hearing on Senate Bill 228. Unlike the bill, the substitute amendment would increase the amount of the scholarship with new funding and no net loss of scholarships. ASA 1 would reduce the qualifying ACT test score from 30 in the bill to 28. The substitute amendment would also remove the nonrefundable individual income tax credit from the bill.

Despite these very positive changes, the SAA remains concerned that ASA 1 will have a negative impact on some students, largely from small rural schools, as a result of the required score of 28 on the ACT. Data provided by the Department of Public Instruction (DPI) at the request of several education stakeholders including the SAA shows that in two successive school years (2013-14 and 2014-15) the highest ACT test score achieved by a student in 30 high schools in Wisconsin was less than 28. Sixty to 70% of these schools are from districts with enrollments of 80 to 499 students. We looked at the last two school years to get an indication of consistency in the data. So I think it is safe to say that if ASA 1 had been in place for the last two years in Wisconsin, in at least 30 schools in which no student achieved a qualifying score of 28, the academic excellence scholarship would have been taken from that school and redistributed to a school of similar size by the Higher Education Aids Board (HEAB).

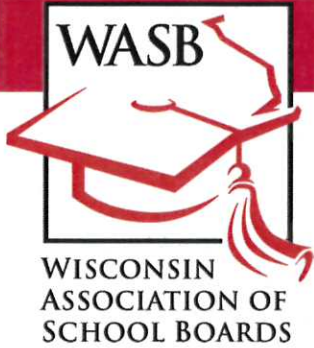
In anticipation of this hearing, I sought input from school administrators throughout the state. One comment I received from one rural school administrator summed up the numerous concerns I have heard from rural administrators all over the state:

“Why would the legislature want to penalize excellent students simply because they grew up in a rural area? Some of these students have already had to overcome living in school districts that could not come close to affording the depth and breadth of the curricular offerings in larger school districts. Why would the legislature try to further stifle the educational attainment of kids that have risen above that and excelled in their local environments?”

Mr. Chairman, the Academic Excellence Scholarship Program is a very popular program and I have yet to hear any evidence indicating that the current method for distributing these scholarships is broken. Rather, it's the level of funding and the amount of the scholarship that is broken. These scholarship awards are funded with state tax dollars that are collected from every corner of the state and I believe therefore that an award recipient should come from every school district. Furthermore, it's not a stretch to assume that the scholarship recipients from our smallest rural school districts are role models in their communities and that they provide encouragement for other local student scholars to reach for a college education or other post-secondary career training. Quite frankly, Mr. Chairman, I don't think we should mess with that.

We share the author's desire to increase the amount of the Academic Excellence Scholarships and provide more incentive for high-performing Wisconsin students to attend Wisconsin institutions of higher education and, ultimately, to live and work in Wisconsin as well. We simply believe a better approach is to increase the appropriation and the scholarship amount for the current program.

Thank you for considering our views on AB 314. If you should have any questions on our position, please call me at (608) 242-1370.



122 W. Washington Avenue, Madison, WI 53703
Phone: 608-257-2622 Fax: 608-257-8386

John H. Ashley, Executive Director

TO: Members, Assembly Committee on Colleges and Universities
FROM: Dan Rossmiller, Government Relations Director
RE: Assembly Bill 314, relating to academic excellence scholarships,
DATE: January 28, 2016

The Wisconsin Association of School Boards, representing 423 school boards across the state of Wisconsin, has a number of concerns with Assembly Bill 314.

This bill, as introduced, would substantially increase the amount of an academic excellence higher education scholarship for recipients attending both public and private institutions of higher education in this state, would reduce the number of academic excellence scholarships that may be awarded in an academic year and would require a pupil to have a GPA of at least 3.500 and a score of at least 30 on the ACT in order to qualify for an academic excellence scholarship. The bill, as introduced, would also create a nonrefundable individual income tax credit for a scholarship recipient who graduates from a UW System institution, a technical college, or a private institution of higher education with a bachelor's degree, an associate degree, or vocational diploma and who resides and works in this state.

We note that the Senate companion version has been amended to, among other things, retain the current number of scholarships to be awarded while preserving the proposed substantial increase in the scholarship amount and the proposed requirement that a recipient must earn at least a 3.5 GPA, while reducing the qualifying score needed on the ACT to 28 and allow the Higher Educational Board to reallocate scholarships among the smallest schools in the state if no student in a particular school meets the qualifications set forth under the amended bill. While we view these as positive changes, we question whether all of these changes are necessary.

It is widely agreed that the scholarship amount has failed to keep pace with tuition increases that have occurred over the years. There is far less agreement that the current mechanism for allocating these scholarships needs to be changed. In fact, we believe there is merit in guaranteeing that a top ranking student in each high school in the state, no matter its enrollment, will receive such a scholarship.

Under current law, Academic Excellence Scholarships are awarded to Wisconsin high school seniors who have the highest grade point average in each public and private high school throughout the state. A student from every high school in the state is guaranteed such a scholarship. This bill, if amended to match the Senate companion version, would eliminate this guarantee because it would reallocate a school's scholarship entitlement to a qualifying student in another small high school if no student in a particular small high school scored at least a 28 composite score on the ACT.

Figures from the past two years (2013-14 and 2014-15) indicate that in 30 high schools the highest performing student who took the ACT test received less than a 28 composite score. In roughly two-thirds of these cases (18 of 30 and 20 of 30, respectively), those schools had enrollments between 80 and

499 students. Chances are good that these 18 or 20 schools would have been unrepresented among scholarship recipients, were the amended version of this bill in place.

In many cases these scholarships provide the encouragement and wherewithal for students in many of our smallest and most rural high schools to successfully continue their education beyond high school. These scholarships provide an incentive for students in all districts to continue to strive and to aspire to a college education. The recipients of these scholarships serve as role models for the students who follow them and provide a highly visible example to other students in those small districts that it is possible to achieve the goal of a college education by applying oneself no matter what high school you attend or what zip code you reside in.

We understand that some will try to argue that a minimum ACT requirement is necessary to ensure that these scholarships continue to reward excellence and not mediocrity. In response, we note that college entrance exam scores are widely recognized to be highly correlated with students' family income level and their parents' educational attainment. We should not reward only those students who were born with certain advantages. We further note that many small and rural schools struggle under revenue limits to provide the same level of college preparatory classes that larger suburban high schools provide. This disparity is particularly evident in the level of Advanced Placement courses offered in the two groups of schools. Not only are students in larger suburban high schools more likely to be able to enter college with many more A.P. credits than students in smaller rural high schools, they are also more likely to have had more opportunity to enter college with college credits earned through dual enrollment classes taken while in high school. Some might even argue that such scholarships are needed to level the playing field.

We also note that these scholarships are funded with state tax dollars. Taxpayers in all school districts in the state pay state taxes to fund these scholarships. It is only fair that all school districts receive the benefit of this scholarship program.

We believe this is a case where the adage, "if it ain't broke don't fix it" applies. The problem with the academic excellence higher education scholarship program is not that the method for allocating scholarships among high schools is broken; the problem is that the scholarship amounts have not kept pace with tuition inflation.

This problem can be solved by simply increasing the scholarship amounts and keeping them indexed to inflation. The substitute amendment provides this increased scholarship amount. The rest of the bill is unnecessary tinkering in our view.

It is not necessary to change the allocation of scholarships in a way that would deny some deserving students in our smallest and most rural high schools an opportunity to prove they can succeed in college if given the boost these scholarships provide.